CHAPTER XI.—BUDGET.

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Responsibility.

185. The Annual Budget of the State to be presented before the Representative Assembly for discussion and Legislative Council for voting of grants is prepared during the months, February to May, each year.

186. The Comptroller is mainly responsible for the preparation of the estimates in proper form in consultation with the departmental officers, who furnish him with all the information required to be submitted to Govenment for orders.

187. The Budget Estimates prepared by the Comptroller and approved by Government are placed before the following bodies :—

(1) Finance and Taxation Committee.
(2) Representative Assembly.
(3) Legislative Council.

188. The Functions of these bodies are defined as under :—

1. *Finance and Taxation Committee.*—The functions of this Committee are purely advisory and its proceedings are confidential.

2. *Representative Assembly.*—(1) The annual budget of the estimated revenue and expenditure of the State shall be laid before the Assembly in the form of a statement and the Assembly shall be at liberty to discuss the budget, provided that the proposals of the Government for the appropriation of revenues or other moneys for expenditure on the following heads shall not be open to discussion by he Assembly :—

(*i*) The Palace including the Staff and Household of His Highness the Maharaja.

(*ii*) The Military Forces of His Highness the Maharaja.
(*iii*) The pensions of public servants ;
(*iv*) Items of expenditure relating to or affecting ;

(*a*) The relation of His Highness the Maharaja with the Paramount Power or with other States ;

(*b*) Matters governed by treaties or conventions or agreements now in force or hereafter to be made by His Highness the Maharaja with the Paramount Power

(v) Interest on loans and charges on account of Sinking Funds guaranteed at the time of raising the loans ;

(vi) Expenditure of which the amount is specified by or under any law.

(2) If any question arises whether any proposed appropriation of revenues or moneys does or does not relate to the above heads of expenditure, the decision of the Dewan-President or, in his absence, of the Vice-President, presiding at the time shall be final.

(3) Any member may move a resolution in respect of the budget, provided that it shall have reference only to the general principles and policy underlying the budget and not to any particular grants or appropriations included in the budget.

3. *Legislative Council.*—The estimated annual revenue and expenditure of the State shall be laid in the form of a statement before the Council in each year and the proposals of the Government for the appropriation of revenues and other money in any year shall be submitted to the vote of the Council in the form of demands for grants. The Council may assent, or refuse to assent to a demand, or reduce the amount therein referred to either by a reduction of the whole grant or by the omission or reduction of any of the items of expenditure of which the grant is composed ;

Provided as follows :—

(1) (*a*) The Government shall have power, in relation to any such demand, to act as if it had been assented to notwithstanding the withholding of such assent or the reduction of the amount therein referred to, if the Government consider that the expenditure provided for by the demand is necessary for the carrying on of any department or for the discharge of Government's responsibility.

(*b*) The Government shall have power in cases of emergency to authorise such expenditure as may, in its opinion, be necessary for the safety or tranquility of the State or any part thereof, or for the discharge of Government's responsibility.

(2) The proposals of the Government for the appropriation of revenues and other moneys for expenditure on the following heads shall not be submitted to the vote of the Council, nor shall they be open to discussion, by the Council :—

(i) The Palace including the Staff and Household of His Highness the Maharaja ;

(ii) The Military Forces of His Highness the Maharaja ;

(iii) The pensions of public servants ;

(iv) Expenditure on :—

(*a*) matters pertaining to or affecting the relations of His Highness the Maharaja with the Paramount Power or with other States ; and

(*b*) matters governed by treaties or conventions or agreements now in force or hereafter to be made by His Highness the Maharaja with the Paramount Power ;

(v) Interest on loans and charges on account of Sinking Funds guaranteed at the time of raising the loans ;

(vi) Expenditure of which the amount is prescribed by or under any law.

(3) If any question arises whether any proposed appropriation of moneys does or does not relate to the above heads of expenditure the decision of the Dewan or *ex-officio* Member presiding at a meeting shall be final.

189. The estimates as finally passed by the Legislative Council and sanctioned by Government constitute the authorised programme of receipts and expenditure for the ensuing year.

Form of Budget Estimates.

190. (*a*) The figures dealt with in a Budget Estimate extend over three years for which columns are provided as follows :—

I. Actuals of the preceding year.

II. Estimates of the current year.

(*a*) Original estimate.

(*b*) Revised estimate.

III. Budget estimate for the ensuing year.

Column I is filled in by the Comptroller's Office with the figures brought to account on the Government books which are the only " Actuals " recognized by Government.

In column II (*a*) are entered the Budget estimates for the current year sanctioned by Government.

The Revised estimates, column II (*b*), which are framed by the Comptroller before submitting his budget notes to Government, are based on the actuals of the current year for the period for which accounts are available at the time, generally on the actuals of the first eight months of the year, any abnormal variation between the ascertained actuals of the current year and those for the same period of the preceding year which is likely to affect the estimates for the residual period being also taken into account.

In the last column will appear the revenue to be collected or expenditure to be incurred and brought to account in the ensuing year, as estimated for by the Comptroller, scrutinized by the several departmental officers, passed by the Legislature and finally accepted by Government.

(*b*) The Budget Estimates have the following Appendices :—

1. The demand, collection and balance of land revenue.
2. Details of estimates of salaries, establishments and allowances.
3. Details of grant-in-aid under 26 Education.
4. Details of scholarships under 26 Education.
5. Details of estimates of expenditure on individual works under XXV, Krishnarajasagara Hydro-Electric and Irrigation Works, 2 Irrigation, 23 Irrigation and 24 Civil Works.
6. Details of estimates of expenditure on individual works under 38 Krishnarajasagara Hydro-Electric and Irrigation Works, 3 Capital outlay on old installations.
7. Details of grants under 15 pensions and Allowances.
8. Details of disbursements under Loans and Advances.
9. Detailed account of works chargeable to the Depreciation Fund Accounts.
10. Budget estimates of the Mysore University.

(*c*) To facilitate the framing of the estimates, the working forms used by the Comptroller and sent by him to the Heads of Departments provide for the entry in addition to the above, of the figures for the first eight and the last four months of the current and the preceding two years and the totals of the two latter years.

191. The charges under each minor or sub-head are as far as practicable, classified under the following divisions :—

1. Salaries.
2. Establishments.
3. Travelling allowance.
4. Contingencies.
5. Supplies and services.

The exact significance of the above expressions is given below :—

1. *Salaries.*—This division is intended for salaries (including the personal allowances) of Gazetted officers. House rent allowance, local allowance, special charge allowance, and other allowances given for special duties or for a special purpose are shown under this division or establishments according as they pertain to the one or the other.

2. *Establishments.*—The distinction between "Salaries" and "Establishments" is mainly that between the Gazetted and Non-gazetted officers. The rate of pay is entered within paranthesis, the number in each rate being shown without as follows :—

2 (500), 7 (400), etc., but where there is one officer on each rate of pay the number (1) is not specified and the entries are made thus :—

"Clerks (75), (50), (30)"

3. *Travelling Allowance.*—This head includes permanent travelling allowances, horse allowance and conveyance allowances. Provision is made under it separately for officers and establishments. Fixed travelling allowance is also shown separately under the head.

4. *Contingencies.*—The term contingencies means only the petty expenditure incidental to the carrying on of business and includes the following items amongst others. Such expenditure is of much the same kind whatever the department be to which, the officer incurring them belongs.

Rents, rates and taxes.	Carriage of tents and records.
Purchase of furniture.	Hot-weather establishments.
Do books.	Postage charges
Repairs to furniture.	Miscellaneous office expenses.
Clothing to peons, etc.	

5. *Supplies and Services.*—This division "Supplies and services" is intended 'for record of charges' which, not being 'Salaries', 'Establishment charges' or Travelling allowances 'are not also' "Contingent charges" as defined above, but some expenditure peculiar to the department incurring them and are special in themselves, *i.e.*, charges which are not merely incidental but represent the main and proper activities of the department, for example, rewards to informers, books for a Public Library, exhibits for a Museum, etc.

192. Departmental officers should co-operate with the Comptroller by coming to a settlement, regarding the provision to be made in the estimates, and by furnishing him, without delay, with any information which he may require regarding the estimates of their departments.

All references which the Comptroller finds it necessary to make regarding the budget estimates should be given preference over other work and be replied to by return of post.

193. The following are the chief rules for the preparation of Budget Estimates :—

1. No alteration of the heading in the estimates sent by the Comptroller should be made by Heads of Departments.

2. The budget estimates which are sent to Heads of Departments by the Comptroller for scrutiny should be punctually returned to him on the dates fixed. Punctuality in submission is most essential as delay on the part of a single officer retards the compilation of the general estimates and shortens the time required by Government for the careful consideration of the estimates.

3. The estimates should be made up for what is expected to be actually received or paid (under proper sanction) during the year, including the arrears of past years-not for the revenue demand or liabilities falling due within the year.

4. Explanatory memoranda and subsidiary statements for explaining the proposed estimates should also accompany them where necessary.

5. Explanations for variations in figures will be furnished opposite the entry concerned in the remarks column. The figures of the sanctioned estimates for the current year should not be altered. No additional grant sanctioned during the year will be included therein.

6. The gross transactions, and not the net receipts or charges should be invariably entered except in the following cases in which net figures are to be entered to prevent inflation in accounts.

(*a*) Refunds and assignments of revenue will be shown as deduction from revenue.

(*b*) Working expenses, interest and depreciation charges will be deducted from gross receipts in the case of Railways, the Hydro-Electric and Irrigation works, the Sandal Oil Factory, the Kolar Gold Fields Water Works and other similar heads.

(*c*) Contributions recovered from the Civil and Military Station authorities, the Madras and Southern Mahratta Railway Company, Local Bodies and others towards expenditure incurred in the Police, Medical, etc., departments are to be shown as deduction from expenditure.

(*d*) Sale proceeds of Jail manufactures, books, farm produce, seeds, manures, etc., are deducted from the expenditure of the departments concerned.

7. No new charge, even of a petty character, should be included in the budget until sanctioned by Government, but an explanatory note may be made at the end of each budget of any fresh charge that is expected to be sanctioned and to come in course of payment during the year to which the budget relates. Under the special sanction of Government, provision may be made in the budget for such of those charges as are likely to be sanctioned and paid during the year to which the budget relates. The budget estimate is not, however, the place for submitting proposals for revision of establishments which should be submitted separately for sanction.

8. Sanctions to new expenditure accorded after the 31st January will not ordinarily be taken into account in fixing the estimates, for the next year, and heads of departments should, therefore, see that such of their proposals as should be carried out in any year are submitted in time to permit of their consideration and disposal by Government.

9. When the head of a department proposes to provide in his estimates for any special unsanctioned expenditure, proposals must be forwarded to Government

in advance of the estimates for separate consideration. It is desirable to obtain orders of Government well in advance for such items instead of crowding them in, for consideration, at Budget time.

10. For fixed charges the detailed estimate should show the full amount of the sanctioned scale and where it is found by experience that a saving will arise from absence or other cause, a lump deduction may be made.

11. What are called fixed establishments are not irrevocably fixed for all time, and should be brought under the formal review of heads of departments from time to time; even when there is no intention of making any change in establishments, it is still desirable that heads of departments should review the entire estimate of the requirements of their departments.

12. Progressive salaries should invariably be shown as such, the maximum and minimum being specified, but the provision should be for the actual salary which will be earned on 1st July of the year for which the estimate is made, without reckoning any future increments.

13. It not unfrequently happens that an establishment or some special allowance is sanctioned for an official year, and the charge for the last month of the year becomes due only when the new year has commenced, and must be taken against the grants of that year; provision should be made accordingly.

14. The columns of numbers must be carefully checked; the rate of pay should be stated whenever possible, in order to admit of verifications with the column of charge.

15. In the establishment appendix, temporary establishments should be shown distinct from permanent establishments and details of the nature and rate of pay should be given. The periods for which the former may have to be retained should be specified within parenthesis.

16. The estimates of contingent charges should be checked by the controlling officer upon comparison of the expenditure of various offices.

17. Every departmental budget will provide for the whole of the receipts and charges with which the department deals finally.

18. The principal explanations required are in connection with the difference between the estimates proposed for the ensuing year and the sanctioned and revised estimates for the current year. The explanation should be as short as is consistent with clearness.

19. In the consolidated estimates, the totals of Major Heads must be worked to thousands of rupees and those of Minor Heads to even hundreds.

20. To prevent delay in the press, the forms of the budget and of the Comptroller's notes thereon should be kept standing with the type and the Superintendent, Government Press, should, on no account, break them up without the special sanction of Government obtained through the Comptroller. (*G. O. No. Fl.* 1086-1128, *dated 29th October* 1903.)

21. As all charges incurred by the Officers of the Public Works Department should be treated as final charges of that department and not passed on for charge against the department benefited by the expenditure, no works of construction or repair will be undertaken except those for which provision is made in the Public Works Departmental Budget. (*G. O. No. Fl.* 1150-1192-18-1901-02, *dated 7th February* 1903.)

Preparation.

194. The preparation of the estimates will proceed

simultaneously in departmental offices and in the Comptroller's office. The Calender for 1925-26 reproduced below generally explains the various stages of preparation :—

BEFORE 11TH FEBRUARY.

1. Preparation of Estimates of expenditure on Salaries, Establishments and Allowances, Appendix B. Grants-in-aid Appendix B.B. and Scholarships Appendix B.B.B. by departments including Electrical Works, Sandal-Oil Factories, and Kolar Gold Fields Water Works.

12TH TO 22ND FEBRUARY.

2. Preparation of the above Appendices by Comptroller and their transmission to Departmental Officers.

16TH TO 26TH FEBRUARY.

3. Return of these Appendices by Departmental Officers to Comptroller with remarks regarding changes, if any, required according to current sanctions.

18TH TO 28TH FEBRUARY.

4. Submission of these Appendices to Government by Comptroller with notes indicating points, if any, for orders.

21ST FEBRUARY TO 2ND MARCH.

5. Communication by Government of orders on points referred to under item No. 4.

BEFORE 12TH MARCH.

6. Submission to Comptroller of detailed estimates under all Heads of Revenue by Departmental Officers with reference to 8 months' actuals and to Administrative Departments of Government.

NOTE.—The gross estimate of revenue under the following heads will be dealt with at this stage :—

II. Forest. 1. Sandal-Oil. XXIV. Railways XXVI. Electrical Works. XXVIII. K. G. F. Water Works. For XXVII. Iron Works and XXIX. Industrial Works, however, total estimates working from opening balance to closing balance will be required.

13TH TO 19TH MARCH.

7. Submission to Government by Comptroller with Budget Notes of above Revenue Estimates and also the estimates of Receipts under IX Interest.

16TH TO 26TH MARCH.

8. Return to Comptroller of Revenue Estimates by Government with orders.

BEFORE 5TH APRIL.

9. Completion by Heads of Departments of estimates of expenditure other than Appendices B,BB., and BBB.

7TH TO 17TH APRIL.

10 Preparation by Comptroller of expenditure estimates (including advances and loans) other than Appendices B,BB., and BBB., based on 8 months' actuals and their transmission to Departmental Officer.

1ST APRIL.

11. Receipt from Subordinate Departmental Officers by

(1) The Chief Engineer of estimates other than establishments.

(2) The Chief Electrical Engineer of estimates of Revenue Expenditure other than establishment of Capital Works and of Depreciation Fund Works and

(3) Special Officer, Krishnarajasagara Works, of estimates other than establishment chargeable to Revenue and Capital.

5TH APRIL.

12. Transmission to Comptroller, of Public Works and Electrical Works estimates for items other than establishment, by Chief Engineer and Chief Electrical Engineer.

7TH APRIL.

13. Submission to Comptroller by :—

(1) The Agent, Mysore Railways, of Authorisation Rolls and estimate of Works chargeable to Capital and Depreciation Fund. (Through Auditor.)

(2) The Railway Secretary, of Capital and Revenue Expenditure estimates of the Railways worked by M & S M Railway Company. (Through Auditor.)

(3) The Government Director, Iron Works, of estimates of Capital Works.

(4) The Director, Sandal-Oil Factories, of estimates of Capital Works.

(5) The Director, Industries and Commerce, of estimates of Capital Works of concerns worked by the Department.

(6) The Chief Engineer, of estimates of Capital and Depreciation Fund Works of the Kolar Gold Fields Water Works.

11TH TO 20TH APRIL.

14. Return with remarks by Departmental Officers of Comptroller's Budget Estimates of expenditure other than charges included in the Appendices B, BB, and BBB., copies of statements of alterations proposed being sent simultaneously to Government in respective Secretariats.

12TH TO 20TH APRIL.

15. Transmission to Financial Secretariat of statements of alterations (with reasons) proposed by respective Secretariats with reference to estimates referred to under item No. 14.

25TH APRIL.

16. Submission of Group and Major Head abstracts by Comptroller to Government.

13TH TO 23RD APRIL.

17. Submission, by Comptroller, to Finance Department, of expenditure estimates other than Appendices B, BB, and BBB., revised with reference to remarks of Departmental Officers, with Budget Notes and statements of points for orders.

14TH TO 26TH APRIL.

18. Return of above by Government to Comptroller with provisional orders and communication of such orders to respective Secretariats.

1ST MAY.

19. Submission by Comptroller of Group and Major Head Abstracts incorporating above orders and General Note and Ways and Means estimates.

11TH MAY.

20. Communication to Comptroller of orders on consolidated Budget Estimates.

20TH MAY.

21. Despatch of copies of Draft Budget Estimates (English and Kannada) with explanatory memorandum to Members of Representative and Legislative Council and Members of Finance and Taxation Committee and Heads of Departments

29TH TO 30TH MAY.

22. Meeting of the Finance and Taxation Committee.

4TH, 5TH, and 6TH JUNE

23. Budget Discussion and Budget resolutions by Representative Assembly.

15TH TO 20TH JUNE.

24. Budget discussion and voting of grants by Legislative Council.

27TH JUNE.

25. Final orders by Government communicating grants (voted) as passed by Legislative Council with restorations if any, and grants (non-voted) sanctioned by Government.

195. The preparation is undertaken in 3 parts :—

1. Establishment and fixed charges.
2. Revenue Estimates.
3. Expenditure Estimates and Ways and Means.

196. *Establishment and Fixed Charges.*—The estimates for fixed charges, such as salaries and allowances, is prepared by the Comptroller on the basis of sanctions as on 1st February and forwarded to the Departmental Officers for scrutiny and remarks. Heads of Departments will also be preparing simultaneously similar estimates in consultation with their subordinates. On receipt of the estimates sent by the Comptroller, they will scrutinize the details of scales, etc., and also the provision made therefor by the Comptroller and offer their remarks in the prescribed form (Alteration Memo) giving clear explanations for omissions or additions wherever necessary. No new item of expenditure of any kind should be included at this stage. The estimates should be returned to the Comptroller on the due date fixed by him. If any estimate is not received by the Comptroller on the due date he will assume that the Head of the Department concerned has no alteration to suggest and that the estimates are finally accepted

by him. The Comptroller will accept or reject such of the alterations of Heads of Departments as do not require the sanction of Government in the light of orders in force and explanations furnished by them and he will tabulate these in a classified form, along with the alterations which require the sanction of Government and submit them to Government for orders.

Orders of Government when received on the individual estimates are noted and this completes part (1), *viz.*, estimate of the budget relating to fixed charges for the ensuing year.

197. *Revenue Estimates.*—In the case of a few selected heads of revenue referred to under item No. 6 of the Calendar and Original Works of the Public Works and Electrical Departments, the estimates will be submitted by the Heads of Departments to the Comptroller beforehand in blank forms supplied to them by him in the month of January.

The Comptroller's estimate of revenue is based on the actuals of past years, the progress of receipts of revenue in the current year and the circumstances of next year so far as they may be known to him or explained by the department. The Comptroller in his budget note will explain to Government the main variations between the estimates as proposed by him and those sent by the departments. Orders of Government received on the individual estimates are compiled and this closes the second stage of the Budget.

Revenue and fixed charges having been fixed, the Comptroller next proceeds to frame the estimates of expenditure for the next year and also ways and means.

198. *Expenditure Estimates.*—Just as in the case of establishments, Heads of Departments will also be preparing simultaneously estimates of expenditure for the coming year for their departments, in consultation with their subordinates. The Comptroller will forward to them the estimates prepared by him with reference to past actuals, the progress of expenditure during the first 8 months of the year and the probable expenditure during the remaining four months and the sanctioned allotment, for the year. On receipt of these the Heads of Departments will scrutinize carefully the sufficiency or otherwise of the provisions made therein under the several heads and return them with their remarks in the printed Alteration Memo form to the Comptroller. The Comptroller will accept or reject the alterations proposed by the Heads of Departments in the light of the explanations furnished, past actuals, sanctions and any other special features prevailing in the year. He will tabulate the alterations proposed by the departments in a classified form and

submit them for orders of Government with such remarks as he may consider necessary. Orders of Government will be communicated on each estimate as they are dealt with in the Secretariat as per Budget Calendar. This closes the third stage of the Budget.

199. *Ways and Means Estimate.*—As all outgoings from the treasuries in respect of Loans and Advances have to be voted by the Legislature, the grants required for the coming year have to be carefully worked out. To enable the Comptroller to fix these, working sheets will be sent by him to the departments just as in the case of Revenue Estimates, for remarks. On receipt of these, the Comptroller prepares his estimates of the incomings and outgoings under the Debt and Remittance Heads and submits to Government his note on the financial (Ways and Means) programme for next year.

200. *Revised Estimates.*—The Revised Estimate does not, by any means constitute revised grants, they being prepared to serve only as a guidance for preparing estimates for the coming year. Departmental Officers who anticipate excesses or savings should report them promptly to Government for obtaining necessary additional grants or sanctions to the surrenders and not rest content with the fact that such excesses or savings have been brought out in the revised estimates.

Communication of Sanction.

201. The consolidated estimate of receipts and expenditure prepared by the Comptroller with reference to orders passed by Government on the different individual estimates is called the first edition of the Budget. The second provisional edition is the one prepared by the Comptroller after incorporating orders of Government on the Group and Major Head Abstract of the first edition and the Ways and Means note submitted to Government. It is this that is placed before the Finance and Taxation Committee and the Representative Assembly, for opinion. The orders of Government on the recommendations made by these bodies are incorporated in the schedule of demands submitted to the Legislature for voting. Orders of Government on the schedule of demands, after voting by the Legislature, are communicated to the Comptroller, when the final edition of the Budget is prepared. The Government order sanctioning the Budget finally and the Group and Major Head Abstract as approved by them are printed in the Mysore Gazette.

1. The fact of a charge which requires special sanction having been included as passed in a budget is no authority for its payment.

2. Expenditure against lumpsum grants provided in the Budget should not be incurred before obtaining separate orders of Government approving of the schemes and the details of expenditure to be incurred.

3. The Comptroller will not notify any grants to the Treasury Officers.

4. The consolidated grants in the budget will be distributed by the Controlling Officers among officers subordinate to them after reserving such portion of the grant as may be necessary to serve as reserve for meeting applications for additional allotments and also to meet such charges as are incurred by Controlling Officers on behalf of their subordinate officers. The distribution of grants will be advised to the Comptroller as well as to the subordinate officers early each year soon after the budget for the year is sanctioned by Government, so as to enable the Comptroller to conduct the audit of these charges, with reference to them and the subordinate officers to regulate their expenditure. Alterations in and additions to the allotments of subordinate officers should be similarly communicated to the Comptroller by Controlling Officers.

5. The Heads of Departments should watch the progress of expenditure on all heads of charges under them with a view to see that the sanctioned grants are not exceeded. The Comptroller furnishes them with monthly statement of audited outlay under all heads, for the month and up to the end of the month from the beginning of the official year for verification with Departmental figures. (*G. O. No. Fl. C*, 72-120—*G. F.* 226-23-1, *dated 14th June* 1924.)

Expenditure not Provided for in the Estimates.

202. (*a*) Expenditure for which no provision has been made in the budget estimate for the year current should rarely, if ever, be incurred.

(*b*) Expenditure on voted heads will be strictly limited to grants sanctioned by the Legislative Council and no expenditure unsupported by sanctioned appropriations or in excess of allotments made therefor in the Budget should under any circumstances be incurred.

(*c*) If on account of exceptional reasons, expenditure which is either not provided for in the budget estimates of the current year or is in excess of the budget provision, has to be incurred, application should be made for the provision of additional funds accompanied by a statement in Form 36 showing how the expenditure is proposed to be met. When such an application is sent, the reason for considering it indispensably necessary that the outlay should be immediately incurred and not postponed to the next financial year should be stated. It should also be explained why the need for the expenditure was not foreseen in time for its inclusion in the budget estimates. It should be borne in mind that excesses over the grants voted by the Legislature require the sanction of that body.

(*d*) In all applications for sanction to expenditure, it should be distinctly stated whether provision for the proposed charge has or has not been made in the budget estimates of the year, and if it

has not been made, whether the funds can be found by reappropriation.

NOTE—The reappropriation statements should be submitted to Government in duplicate, through the Comptroller. Care should be taken to see that all the particulars therein required are invariably filled in and that, when necessary, the district details required for audit purposes are given.

(*e*) In these applications, the figures of the budget estimates must be given and not those of the revised estimates. Column 3 must show the amounts sanctioned by Government in the budget estimates ; if reappropriations have been made subsequently the alterations sanctioned up to date must be shown by *plus* and *minus* figures supported by explanatory memos. The revised estimates should not in any way be connected with such applications as the acceptance of the former does not imply any sanction to the expenditure included in them, and they cannot be used for purposes either of budget control or of audit. If any additional grants are required after the 1st May, application therefor may be made direct to Government.

203. The reappropriation of budget grants is governed by the rules in Chapter XV (Articles 278 to 284.)

Lapses and Surrenders.

204. Funds should not be unnecessarily locked up and grants which are not likely to be utilised before the expiry of the year should be formally surrendered and placed at the disposal of Government not later than the 1st April for utilisation in other departments. After the year has elapsed no additional allotments or reappropriations can be sanctioned.

NOTE 1.—Report of all lapses or savings to Government should be sent through the Comptroller.

NOTE 2.—The Comptroller will submit to Government by the 10th April of every year, a statement of grants surrendered or not likely to be utilised so that lapses may be avoided as far as possible and the amounts profitably utilised otherwise.

205. In the review by Government of the Annual Appropriation Report, Heads of Departments will be called upon for explanation in the following cases except when the differences are trifling :—

1. Why additional allotments were not applied for in the case of excess over budget grants and

2. Why the savings were not formally surrendered to Government in the case of lapses and short expenditure.

Committee on Public Accounts.

206. As soon as may be after the commencement of each financial year, a Committee on Public Accounts shall be constituted for the purpose of dealing with the Audit and Appropriation accounts of the Government.

In scrutinizing the Audit and Appropriation accounts of the Government, it shall be the duty of the Committee to satisfy itself that the money voted by the Council has been spent within the scope of the demand granted by the Council.

It shall be the duty of the Committee to bring to the notice of the Council—

(1) every reappropriation from one grant to another grant ; and

(2) every reappropriation within a grant which is not made in accordance with the rules, regarding the reappropriation, or which has the effect of increasing the expenditure on an item, the provision for which has been specifically reduced by a vote of the Council.

Inevitable Payments.

207. (*a*) Want of provision in the estimate does not operate to prevent payment of any sums really due by Government, nor the want of sanction to prevent record of any actual payment.

(*b*) Money indisputably payable, should never be left unpaid ; and money paid should, under no circumstances be kept out of the accounts a day longer than is absolutely necessary. It in no way promotes economy to postpone inevitable payments, and it is an object of great importance to ascertain, liquidate, and record the payment of all actual obligations at the earliest possible date, obtaining the additional appropriations necessary to cover such charges.

208. Charges of the following kinds should be regarded as inevitable payments :—

(*a*) Salaries of sanctioned establishments, pensions and other sanctioned fixed allowances.

(*b*) Refunds sanctioned by Government or by any officer having power by Law to order them.

(*c*) Rewards awarded by competent authority, *e.g.*, Excise rewards, Police rewards, and rewards for killing wild animals.

(*d*) Expenses of complainants and witnesses in criminal cases at sanctioned rates.

(*e*) Amounts payable by Government under decrees of courts.

(*f*) Travelling allowances.

Although it is necessary that charges of these kinds should be paid when due, even though they are not provided for, this should not be held to remove the necessity for obtaining supplementary grants for such expenditure.